

**Department of Transportation
Office of the Chief Information Officer**

**SUPPORTING STATEMENT
TRANSPORTATION OF HOUSEHOLD GOODS; CONSUMER PROTECTION**

INTRODUCTION

The Federal Motor Carrier Safety Administration (FMCSA) requests the Office of Management and Budget's (OMB) approval of a revised information collection request (ICR) entitled, "Transportation of Household Goods; Consumer Protection," covered by OMB Control Number 2126-0025, and currently due to expire on October 31, 2010. The ICR is being revised due to an increase in the number of annual respondents, Household Goods moves, and the agency's reconsideration of its previous burden baseline assumptions.

1. Circumstances that make collection of information necessary.

Sections 101(a) and 209 of the Motor Carrier Safety Improvement Act of 1999(MCSIA) (Public Law 106-159, 113 Stat. 1748 (December 9, 1999)) (Attachment A) authorized the transfer of functions from the Federal Highway Administration (FHWA) to the FMCSA to carry out chapters 133 through 149 of title 49 U.S.C., which cover the interstate transportation of motor carriers, water carriers, brokers and freight forwarders. The FMCSA specifically has authority to regulate the overall commercial operations of the household goods industry. See 49 U.S.C. § 14104, "Household goods carrier operations," (Attachment B).

This ICR includes the information collection requirements contained in title 49 CFR part 375, Transportation of Household Goods in Interstate Commerce; Consumer Protection Regulations (Attachment C).

On July 12, 2005, FMCSA published a Final Rule entitled, "Transportation of Household Goods; Consumer Protection Regulations," (Attachment D) which specifies how motor carriers transporting household goods by commercial motor vehicle in interstate commerce must assist their individual customers who ship household goods. The collected information encompasses that which is generated, maintained, retained, disclosed, and provided to, or for, the agency under 49 CFR part 375.

On August 10, 2005, the President signed into law the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, Public Law 109-59, 119 Stat. 1144, August 10, 2005), (Attachment E) which assist in addressing challenges facing our transportation system today. SAFETEA-LU promotes more efficient and effective Federal surface transportation programs by focusing on

transportation issues of national significance, while giving State and local transportation decision makers more flexibility for solving transportation problems in their communities. The agency previously revised this ICR to address these impacts in a non-significant direct Final Rule entitled “Amendments to Implement Certain Provisions of the Safe, Accountable, Flexible, Efficient Transportation Act: A Legacy for Users (SAFETEA-LU),” (72 FR 36760), July 5, 2007 (Attachment F).

Accordingly, the final rule was based on the authority of the Federal Motor Carrier Safety Administration (FMCSA) to implement statutory provisions enacted by SAFETEA-LU, Subtitle B under the subtitle cited as the “Household Goods Mover Oversight Enforcement and Reform Act of 2005”. These provisions were effective August 10, 2005 based on the statute. It was necessary to make conforming changes in the regulations administered by FMCSA to ensure that these rules are consistent with the applicable statutes. The provisions enacted by SAFETEA-LU and implemented in the final rule with impacts to this ICR were as follows:

A. Operations and estimates (49 CFR part 375, subparts C and H)

Sec. 4205 of SAFETEA-LU (119 Stat. 1753) (Attachment G) amended 49 U.S.C. 14104(b) (Attachment B) by requiring the household goods motor carrier to conduct a physical survey of the household goods to be transported on behalf of the individual shipper. The carrier must then provide the shipper with a written estimate, based on the physical survey, of charges for the transportation and all related services. The statute permits two exceptions to this requirement.

First, the individual shipper may elect to waive a physical survey of the household goods. The waiver must be in writing; it must be signed by the individual shipper before the household goods shipment is loaded; and the motor carrier must retain a copy of the waiver as an addendum to the bill of lading. The copy of the waiver agreement is subject to the same record retention requirements that apply to the bill of lading, as provided in § 375.505(d).

Second, the motor carrier need not conduct a physical survey if the household goods are located beyond a 50-mile radius of the location of the carrier's household goods agent preparing the written estimate provided to the individual shipper. Section 4205 also codified or added certain requirements for household goods motor carriers to provide specified informational publications to individual shippers.

Previous rules require household goods carriers to present shippers with either written binding estimate for the cost of the move, or with a written non-binding estimate for the cost of the move. Previous rules do not require the carrier to do a physical survey prior to providing shippers with written estimates.

The new requirement that the written estimate be based on a physical survey of the goods being shipped may increase the length of time needed to provide the shipper with a written estimate for the cost of a rule, and hence would increase the costs and

burden on the industry. The Agency assumed that carriers always conduct a physical survey of the goods prior to providing shippers with binding estimates.

The Agency also believes that most carriers conduct physical surveys for non-binding estimates, but that there are a relatively small number of carriers who provide non-binding estimates based solely on information supplied by the shipper over the phone. This rule would require these carriers to conduct a physical survey instead of gathering information over the phone, provided the shipper is within a 50 mile radius of the carrier's base of operations and the shipper does not waive the right to a physical survey. Since a physical survey takes longer to conduct than a telephone survey, the burden hours associated with providing shippers with non-binding estimates would increase. This increase in burden hours is estimated below.

B. Information Provided to Individual Shippers - Your Rights And Responsibilities When You Move (Attachment H) and Ready to Move (Attachment I) (§ 375.213 and Appendix A) – Revisions updating pamphlet to reflect SAFETEA-LU provisions

Section 14104(b)(2) also contains a new requirement that the household goods motor carrier distribute a copy of Department of Transportation publication FMCSA-ESA-03-005 (or its successor publication) entitled "Ready to Move?" at the same time a written estimate is provided to an individual shipper.

The Ready to Move document is a trifold pamphlet that could be printed on two legal sized pieces of paper. The requirement that this document be provided at the time of a written estimate increased the paperwork burden on carriers. They have to produce this document and provide it to shippers each time they provide a shipper with a written estimate. The document can be downloaded from the FMCSA Web site, so carriers would simply have to print the document and make copies as needed. The burden hours and costs associated with this requirement are described below.

These statutory provisions are mandatory and straightforward, and do not require any exercise of discretion by the agency regarding their implementation. These statutory changes went into effect upon enactment of SAFETEA-LU on August 10, 2005. However, it was necessary to make conforming changes in the regulations administered by FMCSA to ensure these rules are consistent with the applicable statutes.

This information collection supports the DOT Strategic Goal of Safety.

2. How, by whom, and for what purpose is the information used.

The information set forth in the final rule required motor carriers who transport household goods by motor vehicle in interstate commerce (movers) to assist their individual customers who ship household goods. The assistance will include notifications and information about:

1. Who the movers are.
2. Whether the mover holds authority with the FMCSA to transport household goods.
3. What the movers' liabilities are for loss or damage of consumers goods.
4. What must be in their contracts with local agents who will deal directly with consumers.
5. How to handle consumer complaints and inquiries.
6. What must be in its arbitration program for consumers.
7. What information it must disseminate to consumers.
8. How to collect charges.
9. What the mover must do if it sells liability insurance.
10. How to estimate transportation and related service charges.
11. How to execute orders, inventories, and bill of lading contracts.
12. How to weigh consumer shipments.
13. What to do during the transportation service for timely delivery and service delays.
14. How to deliver shipments.
15. What penalties exist for violations.

The FMCSA will review the information collected by carriers from the shippers as a result of the agency's implementation of the final rule to determine if each mover is carrying out the provisions of the statute and regulations and is in "substantial compliance" with the MCSIA. The FMCSA will use the information provided by the shippers, as it deems necessary, when conducting reviews, audits and investigations of carriers to determine if a carrier/mover is in compliance with the Federal requirements. If this collected information were not available, the FMCSA will have no means of independently verifying each mover's compliance.

3. Extent of automated information collection.

The FMCSA will be capable of accepting 90 percent of the needed information electronically. The household goods program can use modern automated information collection technology, which will serve to reduce the burden of the program. The information collections can be transmitted by e-mail or facsimile transmissions, at the discretion of the consumer or mover. In addition, information is available and complaints can be submitted via the internet.

4. Efforts to identify duplication.

There is no duplication of existing data. The information submitted by the movers to demonstrate their compliance with 49 U.S.C. chapters 133 through 141 with respect to consumer protection regulations does not duplicate existing information collections.

5. Efforts to minimize the burden on small businesses.

In the household goods motor carrier industry, the Small Business Administration (SBA) defines small entities as those firms earning less than \$23.5 million in gross receipts annually. The FMCSA examined U.S. Census Bureau data from the 1997 Economic Census, in particular the revenue size of firms engaged in the “Used Household and Office Goods Moving” sector (North American Industry Classification System Code 484210). The vast majority of firms represented in the sample fall below the SBA annual revenue threshold for small entities. They represent over 99 percent of the firms in the sample and employ roughly 87 percent of the workers.

This rulemaking has a significant impact on small businesses but FMCSA hopes to minimize the burden on small businesses by identifying alternative approaches for providing consumer protection as follows:

FMCSA will continue to:

- 1) Evaluate the adequacy of agency enforcement efforts;
- 2) Determine whether legislative changes are needed to supplement Departmental efforts, including authorizing the States to enforce Federal statutes and regulations and amending the Federal Statute limiting carrier liability with respect to interstate shipments of household goods; and
- 3) Conduct public education efforts to promote consumer awareness of self-help measures.

6. Impact of less frequent collection of information.

The information in this proposal will be collected when a consumer requests that a mover provide an estimate and when a consumer decides to have a particular mover transport household goods. Certain information will be transferred to the consumer for the consumer to educate himself/herself of its rights and responsibilities in the commercial transactions with the mover. Therefore, frequency is based on the number of moves and is not a factor that FMCSA or the carrier can control.

7. Special circumstances.

The information is not collected more frequently than quarterly since the data is required only when services are requested by the consumer. This is to help the consumer understand each part of the commercial transaction and determine whether or not they are being defrauded or deceived by a mover.

8. Compliance with 5 CFR § 1320.8.

FMCSA published a notice in the Federal Register with a 60-day public comment period to announce its intent to revise this information collection on May 10, 2010, (75 FR 25912), (Attachment J). No comments regarding this information collection were received in response to the notice.

FMCSA published a notice in the Federal Register with a 30-day public comment period to announce that this information collection would be sent to OMB for approval on July 21, 2010, (75 FR 42475) (Attachment K).

FMCSA published a correction notice in the Federal Register on July 29, 2010, (75 FR 44841), (Attachment L) to change the number of respondents from 6,000 household goods movers to 8,500 [6,000 household goods movers + 2,500 consumers].

9. Payments or gifts to respondents.

There are no payments or gifts to respondents for this information collection.

10. Assurance of confidentiality.

None of the information collected by movers will be confidential.

11. Justification for collection of sensitive information.

There are no questions of a sensitive nature.

12. Estimates of Burden Hours for Information Collected.

Assumptions and Estimates Used in Analysis

FMCSA researched several sources for key figures used in the burden estimates for the HHG consumer protection program supporting statement. Data from FMCSA's Licensing and Insurance (L&I) and Motor Carrier Management Information Systems (MCMIS) databases indicate that there are approximately 5,900 active household goods (HHG) movers¹ and about 600 HHG movers enter the industry each year.² However, due to exit from the industry, from 2007 to 2009, the net increase in the number of active HHG movers was only about 200. Using that same low amount of growth, the Agency projects that the number of HHG movers will increase from 5,900 to 6,100 over the three year horizon of these projections; in all of its burden calculations it will use the midpoint of this range, 6,000 movers. A report released by the American Moving and Storage Association (AMSA) indicates that 800,000 of the 2 million annual interstate HHG

1 As of December 18, 2009. Includes carriers, brokers, freight forwarders, and enterprise companies.

2 Average of calendar years 2007-2009.

moves are conducted by professional movers.³ As it did in the previous two supporting statements, FMCSA assumes that the optimal search depth for shippers is 3 movers, that is, the marginal benefits (a more desirable combination of quality, timeliness, and low cost) of contacting additional companies will outweigh the search costs after a third mover is contacted. Last, all burden estimates are rounded to the nearest 100 hours. Table 1 summarizes the key assumptions used in these calculations.

Table 1: Key Assumptions			
HHG Movers	Annual Entrants	Annual Shipments	Movers Contacted per Shipment
6,000	600	800,000	3

This supporting statement divides the burden into five categories roughly corresponding to the subsections in the HHG regulations in which the specific paperwork and record keeping requirements for HHG movers appear. The supporting statement will also discuss several sources of burden that had been accounted before in prior supporting statements, but which the Agency now believes should be now excluded because these activities would occur in the normal course of business even in the absence of HHG consumer protection regulations.

IC1: Required Information for Prospective Individual Shippers

As stated, FMCSA estimates that 0.8 million HHG moves occur each year and that shippers contact on average 3 movers for every shipment. It is estimated that 2.4 million (0.8 million shipments × 3 contacts) contacts occur between shippers and movers each year.

In addition to a written cost estimate, which will be discussed below under IC2, the HHG consumer protection regulations requires movers to provide the following documents to prospective shippers.

1. A copy of Department of Transportation publication FMCSA–ESA–03–005 (or its successor publication) entitled “Ready to Move?”⁴ with every written cost estimate.
2. The contents of §375 appendix A, entitled “Your Rights and Responsibilities When You Move”⁵ (Department of Transportation publication FMCSA–ESA–03–006, or its successor publication).
3. A concise, easy-to-read, accurate summary of the mover’s arbitration program
4. A concise, easy-to-read, accurate summary of the mover’s complaint and inquiry handling procedures

3 <http://www.promover.org/content.asp?contentid=767>. Accessed February 26, 2010.

4 <http://www.protectyourmove.gov/documents/ReadyToMove-2006-april.pdf>. Accessed March 15, 2010.

5 <http://www.protectyourmove.gov/documents/moving-rights-v9-final.pdf>. Accessed March 15, 2010.

“Ready to Move?” Pamphlet

Under §375.213(a) HHG movers are required to provide with every written estimate a copy of Department of Transportation publication FMCSA–ESA–03–005 (or its successor publication) entitled “Ready to Move?”. The Agency assumes that established HHG carriers will already have an electronic version of this document stored on their computer systems, and that new carriers will be able to obtain it from the www.protectyourmove.gov website in under 1 minute. Each HHG mover will have to create on average 400 (2.4 million written estimates ÷ 6,000) of these pamphlets each year. Because this is a two-page document, the Agency assumes that HHG movers will print these documents themselves in batches throughout the year. Based on the average number of copies printed by each HHG mover, the Agency estimates that the each mover will, on average, spend 0.5 hours per year creating and storing its supplies of “Ready to Move?” pamphlets. The total annual burden associated with §375.213(a) is 3,000 hours (6,000 movers × 0.5 hours). Including a copy of this document with the written estimate will be a negligible source of additional burden.

Pamphlets (millions)	HHG Movers	Pamphlets per Mover	Annual Burden Hours per Mover	Total Annual Burden Hours
2.4	6,000	400	0.5	3,000

Other Materials

The “Your Rights and Responsibilities When You Move” document and summaries of arbitration programs and complaint and inquiry procedures are required to be provided before a service order is executed, but do not have to accompany every written estimate. The Agency assumes that copies of each document will be required for each of the 0.8 million HHG shipments that occur each year.

To calculate the burden associated with these documents, the Agency uses assumptions analogous to those for the “Ready to Move?” pamphlet. The Agency assumes that established HHG carriers will already have an electronic versions of these documents stored on their computer systems. New carriers will be able to obtain the “Your Rights and Responsibilities When You Move” brochure from the www.protectyourmove.gov website in under 1 minute. However, this document is 68 pages long, considerably longer than the “Ready to Move?” pamphlet. The Agency had previously assumed that a mover could produce 150 copies of this document, corresponding to over 10,000 pages, in just one hour. The Agency believes that it underestimated this burden, and instead will

assume movers can produce 800 pages in a half hour, an estimate that corresponds to the 400 two-page “Ready to Move?” pamphlets carriers are assumed to be able to produce in one-half hour. Due to the length of this document, carriers may opt to have copies produced by professional printing services. This would presumably reduce the time burden of this requirement, but increase other costs to respondents discussed in section 13 of this ICR. The Agency lacks information on what method movers will choose, and will calculate burden assuming that they produce copies themselves.

The Agency believes that both the summary of the arbitration program and the summary of complaint and inquiry procedures will be one-page documents that carriers will produce copies of themselves. Established firms will have already created these documents, but the 600 new HHG movers that enter each year will be required to create them; these will contain information specific to the firm, so there are no ready-made documents that movers can simply download. The Agency assumes that new firms would spend 2 hours initially creating each type of summary.

Table 3 summarizes the burden associated with creating copies of all three documents.

Table 3: Burden Associated with Producing other Required Consumer Information					
	a	b	c	d	e
Type of Document	Copies (=Shipments) (millions)	Pages per Copy	Total Pages (millions) (a × b)	Pages per 1/2 Hour	Total Annual Hourly Burden (c ÷ d × 1 million)
Rights and Responsibilities	0.8	68	54.4	800	68,000
Complaint & Inquiry Program Summary	0.8	1	0.8		1,000
Arbitration Procedure Summary	0.8	1	0.8		1,000
Total	2.4		56.0		70,000

In addition, the total annual burden for new HHG movers to create the required summary documents is estimated to be 2,400 hours (600 new firms × 2 summary documents × 2 hours per document).

Subtotal for IC1

The total annual burden for IC1, Required Information for Prospective Individual Shippers, is estimated to be **75,400 hours** (3,000 hours for “Ready to Move?” pamphlet + 70,000 hours for other materials + 2,400 hours for new firms to create summary

documents).

IC 2: Estimating Charges

As required by §375.401, HHG movers must conduct physical surveys of shippers' items to be transported in order to provide written estimates of shipping charges. The exceptions to the physical survey requirement apply when the shippers' goods are outside of a fifty-mile radius of the movers' location, or if the shipper waives a physical survey in writing. The process of generating estimates is divided into the following ten steps:

1. Traveling to the pick up location
2. Estimating the quantity and weight of items to be transported
3. Estimating accessorial and incidental charges
4. Reviewing and obtaining information from tariff guides and schedules
5. Calculating the estimate
6. Recording the estimate
7. Copying the estimate
8. Attaching one copy to the service order and another copy to the bill of lading
9. Providing the estimate to the prospective shipper
10. Returning to mover's terminal

The Agency has identified three categories of shipping charge estimates, binding estimates, non-binding estimates with physical surveys, and non-binding estimates exempt from physical surveys. FMCSA assumes that any estimate based on a physical survey will take 2 hours to complete, whereas those for which a physical survey is not conducted will take 0.5 hours. A written explanation of volume-to-weight conversion formula must also accompany non-binding estimates that were based on volume and converted to a weight-based rate.

Table 4 provides details on how the Agency has assumed the 2.4 million cost estimates written annually are distributed and the burden associated with each type of estimate.

Type of Estimate		Percent of Estimates	Responses (millions)	Hours per Response	Total Annual Burden Hours
Physical Survey	Binding	60%	1.44	2	2,880,000
	Non - Binding	35%	0.84	2	1,680,000
No Physical Survey	Non - Binding	5%	0.12	0.5	60,000
Total		100%	2.4		4,620,000

The Agency estimates that 10 percent of, or 96,000 (10% × 0.96 million estimates), non-

binding estimates will require an explanation of volume to weight conversions. Movers will establish these formulas when beginning operations, and providing this document, when required, with cost estimates will be a negligible source of burden. Creating the documentation explaining them will be a source of burden only for the 600 new movers that enter the industry each year. The Agency believes, however, that even this burden is negligible and does not include it in these burden calculations.⁶

The total annual burden for IC2, Estimating Charges, is estimated to be **4,620,000 hours**.

IC3: Pick Up of Shipments of Household Goods

The HHG consumer protection regulations require movers to provide shippers with several documents. The Agency uses an estimate of 0.8 million HHG moves per year. Under Subpart E of §375, three items are required to be prepared for every shipment, a service order, an inventory of the goods shipped, and a bill of lading. For shipments initiated with non-binding cost estimates, movers may be required to produce a written weight tickets for each shipment.

Service Orders, Goods Inventories, and Bills of Lading

Preparation of service orders, goods inventories, and bills of lading may be customary for HHG movers, but in past burden estimates, the Agency has excluded only the burden for goods inventories as occurring in the normal course of business. It will continue this practice in the current burden estimates. The bill of lading and the service order are estimated to take 0.5 hours each per shipment.

Table 5: Burden Associated with Service Orders and Bills of Lading			
	Documents (=HHG Shipments) (millions)	Annual Burden Hours per Document	Total Annual Burden
Service Orders	0.8	0.5	400,000
Bills of Lading	0.8	0.5	400,000
Total	1.6		800,000

Weighing Shipments

Shipping charges may be based either on volume or weight; for the latter case, final charges are typically determined after the goods have already been placed on a moving truck. Consequently, binding estimates are volume-based because final shipping charges are determined and agreed upon before the shipments have had the opportunity to be weighed, and shipments charged according to weight are only associated with some non-

⁶ If 10 percent of carriers are using volume-to-weight conversions, then just 60 of the 600 new HHG movers will be required to create this documentation, which the Agency estimates will take about 10 minutes per carrier to produce.

binding estimates. If shipping charges are based on weight, movers must complete and retain weight tickets for each weighing of a shipment.

FMCSA does not have a source for an estimate of the fractions or numbers of shipments charged according to volume or weight. It continues to assume, as it has in the past that all non-binding estimates will be charged based on weight.

Although the HHG consumer protection regulations specify the procedures required for weighing the shippers goods, the only paperwork burden associated with these requirements are under §375.519, which requires movers to obtain written weight tickets, specifies the content of those tickets, and discusses proper handling of these documents. In past supporting statements, the Agency had included the total time spent in the weighing process (assumed to be 5 minutes) in its burden estimates, whereas the time spent completing and handling weight tickets, currently assumed to be 1 minute, is the specific paperwork burden associated with the weighing requirements.

Shipments may be weighed more than once if an individual shipper requests a reweighing. If the second measurement is performed on the same scale as the first, both weights may be recorded on the same weight ticket. The use of a different scale seems likely to occur only when the shipper objects to the accuracy of the original scale. The Agency assumes that this is a rare occurrence, and consequently that one weight ticket will be generated per shipment. Table 6 summarizes the burden associated with creating weight tickets.

Table 6: Burden Associated with Weight Tickets			
Shipments (millions)			
Total	40% with Non-Binding Charges (=Weight Tickets)	Minutes per Response	Total Annual Hourly Burden
0.8	0.32	1	5,300

Subtotal for IC3

The total annual burden for IC3, Pickup of Shipments of Household Goods, is estimated to be **805,300 hours** (800,000 hours for service orders and bills of lading + 5,300 hours for weight tickets).

IC4: Transportation of Shipments

Notifications of Delays and Early Deliveries

After goods have been placed in transit, the HHG consumer protection regulations require movers to generate and maintain some additional documents associated with the status of the shipments. Under Subpart F of §375, movers are required to generate and maintain notifications of both delays and early delivery (more than 24 hours before the specified date) of shipments, and to furnish to shippers upon request the records of

contact regarding delays. The notifications may be conducted by telephone, fax, e-mail, overnight courier, certified mail, or in person. The Agency believes that movers will use the most expeditious and reliable methods possible—generally assumed to be telephone or email—and will very rarely opt to send paper documents via courier or certified mail. However, movers must furnish a written record of delay notifications if asked to do so by shippers.

The Agency assumes that 20 percent of shipments are delayed, and that shippers request written records of the delay notification in 20 percent of those cases, that is, in 4 percent of total shipments (20% delayed shipments × 20% contact record requested). The Agency also assumes movers notify shippers of early delivery in 2 percent of shipments. Generating and maintaining records of both types of contact are assumed to take 5 minutes, and furnishing requested copies of the records of notifications of delays are assumed to take 15 minutes. Table 7 summarizes the burden associated with notifications of delays and early arrivals.

Table 7: Burden Associated with Notifications of Delays and Early Delivery				
	Shipments			
	Percent	(millions)	Minutes per Response	Total Annual Hourly Burden
Total		0.800		
Delayed	20%	0.160	5	13,300
Delayed AND Contact Record Requested	4%	0.032	15	8,000
Early	2%	0.016	5	1,300
Sum		0.208		22,600

Storage-in-Transit (SIT) Expiration

Under §375.609, movers holding goods for storage-in-transit (SIT) must notify shippers of the expiration of their storage periods at least 10 days in advance. After SIT period expires, goods convert to permanent storage and are no longer the liability of the HHG mover. The notifications may be conducted by fax, e-mail, overnight courier, certified mail, or in person. The Agency believes that movers will use the most expeditious and reliable method possible—generally assumed to be email—and will very rarely opt to send paper documents via courier or certified mail. Nevertheless, shippers must maintain records of these notifications, although the regulations do not specify that these records be kept in a written format.

When the HHG consumer protection regulations were promulgated, the Agency had assumed that 10 percent of shipments would be in SIT expiration situations. The Agency believes that HHG will follow the most expeditious, least burdensome and least costly method to generate these notifications, a company standard e-mail message. These

notifications will be generated either automatically or with minimal input from company staff, resulting in negligible burden. The Agency also assumes that retention of email records is a standard business practice. Consequently, the Agency does not include estimates of burden associated with notifications of SIT expirations in these calculations.

Subtotal for IC4

The total annual burden for IC4, Transportation of Shipments is estimated to be **22,600 hours**, comprised entirely of the burden associated with the notifications of delays and early deliveries.

IC5: Consumer Complaints

Under §375.609, HHG movers are required to keep written or electronic records of all complaints and inquiries received from shippers. Established movers will already have such record keeping systems in place, whereas the 600 new firms will have to establish record-keeping procedures. In the previous baseline burden estimate, the Agency incorrectly used the average time for *resolving* each inquiry or complaint. Paperwork work burden, however, is only associated with logging the complaints. The Agency also had not conducted any research into the actual operations of consumer complaints and inquiries. It attempts to improve its analysis in this supporting statement.

Records of Complaints and Inquiries

HHG movers may receive complaints in writing, via e-mail, or orally, either in person or over the telephone. In the first two cases, merely retaining the paper or electronic document would be sufficient for meeting this record keeping requirement. In the last case, movers would have to take extra actions to generate a paper or electronic entry by producing a transcript or summary of the conversation with the shipper; however, recorded telephone conversations would also suffice for meeting this requirement.

The Agency had assumed in the past that each shipment receives, on average, 2 complaints or inquiries. The nature of the complaint or inquiry will determine, in part, which method of communication a shipper uses. According to a 2007 Government Accountability Office report on FMCSA's HHG consumer protection program,⁷ FMCSA and local Better Business Bureaus logged approximately 13,000 complaints in 2005 against HHG movers. A 1999 study into consumer complaints conducted by Saint Louis University on a focus group of consumers⁸ found that 4-6 contacts was the median number required for resolving complaints, and that 20 percent of complaints required over 10 contacts. Although this study is somewhat dated, the Agency believes its results to be reasonable starting points for evaluating paperwork burden. Most complaints were

7 <http://www.gao.gov/new.items/d07586.pdf>. Accessed March 18, 2010.

8 http://www.slu.edu/Documents/business/eec/closing_the_gap.pdf. Accessed March 18, 2010.

in industries⁹ with characteristics similar to those of interstate HHG moves, those industries in which products or services, and therefore prices, are tailored to suit the needs of the customers, leaving greater opportunity for disagreements of price relative to the customers' expectations. Complaints are generally fewer for businesses offering homogenous products at fixed prices. The study also found that consumers overwhelmingly opt for oral communication, telephone or face-to-face, when lodging complaints. In the ensuing eleven years since this study was produced, consumers and firms may have opted to use email more to resolve complaints.

The Agency uses this study to derive several key assumptions for evaluating the burden of the complaint and inquiry recordkeeping requirements. First, it assumes that the median number of contacts, the 4-6 range, or simply 5, is currently applicable as the average number of contacts per complaint. Second, the Agency assumes that the 13,000 complaints referred to FMCSA and Better Business Bureaus are generally the 20 percent of complaints requiring more than 10 contacts. Consequently, if these 13,000 complaints represent 20 percent, the Agency can estimate that 65,000 (13,000 ÷ 20%) total complaints occur each year. Factoring in an average of 5 contacts per complaint, the Agency estimates that HHG movers are keeping 325,000 records (65,000 complaints × 5 contacts). The Agency also assumes that every HHG shipment will generate on average one non-complaint inquiry.

It is also necessary for the Agency to determine the method of contact. Inquiries and complaints are unlikely to be initiated in writing, and the Agency assumes consumers will opt for oral communication 80 percent of the time, a large majority, and email 20 percent of the time. Maintenance of records of email correspondence is a standard business practice and is assumed to generate no extra burden. Last, generating a record is assumed to take 1 minute for inquiries and 5 minutes for each complaint contact. Table 8 presents a summary of these assumptions and the burden

Table 8: Burden Associated with Records of Complaints and Inquiries				
	Contacts	Not Conducted Electronically (80%)	Minutes per Contact	Annual Hourly Burden
Complaints	325,000	260,000	5	21,700
Inquiries (=Shipments)	800,000	640,000	1	10,700
Total	1,125,000	900,000		32,400

Establishing Complaint and Inquiry Record Systems

The Agency assumes that new firms will spend no more than one-half hour on average establishing a written or electronic log of complaints or inquiries, or developing a system to retain written complaints or inquiries from consumers. The total annual burden

⁹ For example, franchised auto dealers, used auto dealers, home remodeling, auto repair, roofing contractors.

associated with establishing complaint and inquiry record systems is estimated to be **300 hours** (600 new firms × 0.5 hours).

Subtotal for IC5

The total annual burden for IC5, Consumer Complaints, is estimated to be **32,700 hours** (32,400 hours for recording complaints and inquiries + 300 hours for establishing record systems).

IC 6: Consumer Complaint Form MCSA-2P

Consumers may initiate consumer complaints with FMCSA against HHG movers by using the online form MCSA-2P.¹⁰ The Agency receives about 2,500 complaints via this online form each year. FMCSA estimates that the form takes ten minutes to complete, resulting in (rounded to the nearest 100 hours) annual burden of 400 hours (2,500 complaints × 10 minutes per form ÷ 60 minutes per hour).

IC X: Discontinued Items

Agreements with Agents

The Agency had previously calculated that 19 burden hours arose from the requirements in §375.205 that HHG movers have written agreements with prime Agents. The Agency no longer includes estimates of this burden for two reasons. First, the Agency cannot envision that HHG movers would not be entering into written agreements even if this requirement did not exist, that is, the requirement merely echoes standard business practices. Second, even if movers engage in this activity only because they are required to do so by the HHG consumer protection regulations, the total burden is negligible.

Advertising Information

The Agency assumes that it is standard industry practice to include DOT numbers as required in §375.207 in advertising materials; carriers no longer need to take new action to do so. Regardless, adding that information to drafts of advertising materials is a negligible source of burden.

Insurance Policies

Carriers are not required to sell insurance to shippers. However, those that do so are subject to plain language requirements under §375.205 when issuing policies. However, it would be seemingly impossible to sell insurance without some written statement of policy coverage. The Agency assumes that producing plain language versions of these documents is no more burdensome than producing non-plain language versions. Consequently, the Agency now assumes that this requirement will not result in any additional paperwork burden.

¹⁰ <https://nccdb.fmcsa.dot.gov/AddComplaint.asp>.

IC1-5: Total Burden of HHG Consumer Protection Regulations

Table 10 summarizes the estimates of the total annual burden of the HHG consumer protection regulations.

Table 10: Summary of Annual Burden for IC1-6

	Type of Response	Respondents	Responses	Annual Hourly Burden
IC1	Informational Documents Provided to Prospective Shippers	6,000	4,801,200	75,400
IC2	Written Cost Estimates for Prospective Shippers		2,400,000	4,620,000
IC3	Service Orders, Bills of Lading		1,920,000	805,300
IC4	In-Transit Service Notifications		208,000	22,600
IC5	Complaint & Inquiry Records, Including Establishing Record System		900,600	32,700
IC6	Household Goods - Consumer Complaint Form MCSA-2P	2,500	2,500	400
Total		8,500	10,232,300	5,556,400

Estimated Annual Number of Respondents: 8,500 [6,000 HHG Movers + 2,500 Consumers]

Estimated Annual Number of Responses: 10,229,800 [IC1 4,801,200 + IC2 2,400,000 + IC3 1,920,000 + IC4 208,000 + IC5 900,600 + IC6 2,500 = 10,232,300].

Estimated Annual Burden Hours: 5,556,400 [IC1 75,400 + IC2 4,620,000 + IC3 805,300 + IC4 22,600 + IC5 32,700 + IC6 400 = 5,556,400].

13. Estimates of Total Annual Costs to Respondents.

In addition to the hourly burden estimated in item 12 above, HHG movers will also bear substantial materials costs of producing and storing documents. The estimates of the costs of producing required documents is based on the total number of pages movers will need to produce multiplied by a flat rate of \$0.15 per page.

For estimating capital costs for record keeping, the Agency considered both electronic and paper storage of records. As stated above, the Agency believes electronic records will almost exclusively be associated with email communications, and that email records are already retained in the normal course of business. The Agency estimates that paper

records of 900,000 complaints and inquiries would be retained each year with a one-year retention period. The capital costs of storing these records would be borne only by new HHG movers in the form of new filing cabinets.

The Agency employs several assumptions and conventions to estimate the paper storage cost per new firm. First, each new firm will retain on average 150 complaint and inquiry records (900,000 paper records ÷ 6,000 firms). The Agency estimates that firms will be able to store 50 records per inch of filing space, and therefore each firm will use a total of 3 file inches (150 paper records ÷ 50 records per inch) for storing records of complaints and inquiries. It then adopts several conventions for converting this into total volume and number of file cabinets.¹¹ First, there are 15 file inches of letter-sized paper records per cubic foot, so each firm will use 0.20 cubic feet (3 file inches ÷ 15 file inches per cubic foot) for storage. A two-drawer file cabinet can store approximately 0.75 cubic feet of records, and consequently one cabinet will provide enough space for an individual firm to store all its records of complaints and inquiries. The Agency assumes a median purchase price of \$100 per cabinet, and assumes the value of the office space it takes up will be negligible.

The last type of cost the Agency estimated is the capital cost (envelope and postage) of mailing copies of records of delay notifications requested by shippers. The Agency assumes \$0.50 per mailing, and, as stated above, estimates that 32,000 of these mailings occur each year.

Table 11 summarizes the capital cost estimates of the HHG consumer protection regulations.

	Collection	Number of Documents	Pages per Document	Total Pages	Total Paper Cost @ \$0.15 per Page
IC1	"Ready to Move?"	2,400,000	2	4,800,000	\$720,000
	"Rights & Responsibilities"	800,000	68	54,400,000	\$8,160,000
	Complaint & Inquiry Program Summary	800,000	1	800,000	\$120,000
	Arbitration Procedure Summary	800,000	1	800,000	\$120,000

11 See e.g., <http://www.colorado.gov/dpa/doit/archives/rm/schools/Measurement.pdf>. Accessed March 23, 2010.

IC2	Written Cost Estimates	2,400,000	1	2,400,000	\$360,000	
IC3	Service Orders	800,000	1	800,000	\$120,000	
	Bills of Lading	800,000	1	800,000	\$120,000	
	Weight Tickets	320,000	1	320,000	\$48,000	
					\$9,768,000	
		Number of Paper Records	Records per Firm	Cost per Firm	New Firms	Total Record Storage Cost
IC5	Storage of Complaint & Inquiry Records	900,000	150	\$100	600	\$60,000
		Number of Requests		Cost per Mailing	Total Mailing Cost	
IC4	Requests for Records of Delay Notifications	32,000		\$0.50	\$16,000	
TOTAL CAPITAL COSTS					\$9,844,000	

Estimated Annual Cost to Respondents: \$9,844,000 [IC1 \$9,120,000 + IC2 \$360,000 + IC3 \$288,000 + IC4 \$16,000 + IC5 \$60,000 = \$9,844,000].

14. Estimate of Cost to the Federal Government.

The cost to the Government will be the time spent by staff responding to complaints submitted on the Household Goods - Consumer Complaint Form MCSA-2P, estimated to be approximately \$100,000 per year.

15. Explanation of Program Changes or Adjustments.

This revision resulted in a program adjustment increase of 1,003,663 estimated annual burden hours [5,556,400 proposed estimated annual burden hours – 4,552,737 currently approved estimated annual burden hours = 1,003,663]. The revisions to the burden estimates for the HHG consumer protection regulations arose from several sources. First, the total number of HHG movers increased to 6,000 firms from 4,000 firms that had been used in the previous baseline. Second, the total number of annual HHG moves occurring, the primary determinant of paperwork burden, increased to 800,000 moves from the 600,000 moves used in the previous baseline. Third, the Agency carefully reconsidered all of its assumptions. Some sources of burden were excluded because they were deemed insignificant or were associated with tasks firms would undertake in the normal course of

business. FMCSA also attempted to find research supporting its assumptions and accounted for decreases in burden that might have arisen due to expanded use of e-mail and electronic record keeping. Last, it corrected errors in the baseline calculations. Table 12 presents a summary of all the revisions to the burden estimates. A discussion of the revisions not associated with increases in either moves or movers follows.

Table 12: Summary of Revisions to Annual Hourly Burden Estimates

	Collection	New Burden	Old Burden	Total Revision (New – Old)	Revision Due to Increase in HHG Moves or Movers	Due to Changes in Methodology
IC1	"Ready to Move?"	3,000	2,700	300	800	-500
	"Rights & Responsibilities"	68,000	8,334	59,666	3,466	56,200
	Complaint & Inquiry Program	1,000	300,000	-299,000	100,000	-399,000
	Summary					
	Arbitration	1,000	8,000	-7,000	4,000	-11,000
	Procedure					
IC2	Summary					
	Create	2,400	0	2,400	0	2,400
	Summaries					
	Subtotal for IC1	75,400	319,034	-243,634	108,266	-351,900
IC2	Written Cost	4,620,000	3,240,000	1,380,000	1,020,000	360,000
	Estimates					
	Volume-to-Weight	0	4,000	-4,000	0	-4,000
IC3	Conversions					
	Subtotal for IC2	4,620,000	3,244,000	1,376,000	1,020,000	356,000
	Service Orders	400,000	300,000	100,000	100,000	0
	Bills of Lading	400,000	300,000	100,000	100,000	0
	Weight Tickets	5,300	42,000	-36,700	14,000	-50,700
IC3	Subtotal for IC3	805,300	642,000	163,300	214,000	-50,700
	Records of Delay					
IC4	Notifications	13,300	10,000	3,300	3,300	0
	Customer					
IC4	Requested	8,000	6,000	2,000	2,000	0
	Records of Delay					
IC4	Notifications					
	Notifications					

	Records of Early Delivery Notifications	1,300	1,000	300	300	0
	SIT Expiration	0	30,000	-30,000	0	-30,000
	Subtotal for IC4	22,600	47,000	-24,400	5,600	-30,000
IC5	Records of Customer Complaints & Inquiries	32,400	200,000	-167,600	66,667	-234,267
	Establishing Complaint & Inquiry Record System	300	0	300	0	300
	Subtotal for IC5	32,700	200,000	-167,300	66,667	-233,967
IC6	MCSA-2P	400	0	400	0	400
ICX	Agreements with Agents	0	19	-19	0	-19
	Minimum Advertising Information	0	684	-684	0	-684
	Insurance Policies	0	100,000	-100,000	0	-100,000
	Subtotal for Discontinued Items	0	100,703	-100,703	0	-100,703
	TOTAL	5,556,400	4,552,737	1,003,263	1,414,533	-411,270

IC1

“Ready to Move?” Pamphlet

The Agency increased the assumed speed at which documents could be printed to account for improvements in printing technology. It eliminated the burden associated with downloading the document because established firms already possess it in electronic form, and the standards of current internet access speeds are such that new carriers can download in this file in just a few seconds.

“Rights and Responsibilities” Brochure

The Agency followed the same assumptions as those above. However, the baseline failed to account for the 68-page length of this document. Although the time spent printing each page was reduced, the overall burden was revised up to correctly account for the large number of pages.

Complaint and Inquiry Program Summary

Calculations used in the baseline misinterpreted the regulations as requiring firms to provide summaries to customers of every complaint and inquiry received. The regulations require a summary of the *system* a firm employs for resolving complaints and inquiries, which the Agency assumes can be fit on a single page. However, these

calculations were revised to exclude burden associated with firms' creating the original complaint and inquiry summary documents, as existing firms would have created these documents when the HHG consumer protection regulations were first promulgated. The burden estimated under this item is associated with distributing copies of those summary documents. The burden for new firms to create originals of this document was moved to a separate category.

Arbitration Procedures Summary

These calculations were revised to exclude burden associated with firms' creating the original arbitration procedure summary documents, as existing firms would have created these documents when the HHG consumer protection regulations were first promulgated. The burden estimated under this item is associated with distributing copies of those summary documents. The burden for new firms to create originals of this document was moved to a separate category.

Create Summary Documents

The Agency introduced this new category for the burden to new HHG movers to create summaries of their complaint and inquiry systems and arbitration procedures. This burden was included in the previous baseline, but had been aggregated with other estimates (see the preceding two items).

IC2

Written Cost Estimates

FMCSA corrected an error in the previous calculations that was introduced when the requirement for the physical survey of goods went into effect.

Documentation of Volume-to-Weight Formulas

The Agency eliminated these estimates because burden associated with this requirement is negligible.

IC3

Weight Tickets

FMCSA revised its estimates to exclude the time spent weighing freight. Burden estimates are now based on only the time spent completing weight tickets. Weighing freight is the fundamental basis of charges in many HHG shipments, and is not undertaken to fulfill paperwork requirements.

IC4

Notifications of SIT Expiration

The Agency now assumes firms will use efficient electronic means for these notifications, and that burden will be negligible.

IC5

Records of Consumer Inquiries and Complaints

The estimate of the number of contacts (complaints and inquiries) was revised down to reflect research the Agency conducted in the area of consumer complaints.

Previous estimates relied solely on unsubstantiated assumptions.

Establishing Complaint and Inquiry Record System

FMCSA introduce this new category to separate this burden from that associated with the requirement to maintain these records.

IC6

Household Goods - Consumer Complaint Form MCSA-2P

The Agency failed to include the burden associated with this form in the previously approved burden estimates.

Discontinued Items

Agreements with Agents

This is a negligible source of burden, and a normal business practice.

Minimum Advertising Information

This is a negligible source of burden, and a normal business practice.

Insurance Policies

The Agency assumes that firms must produce written insurance policy documents in order to sell insurance, and that ensuring that these documents in written in plain language is not a source of additional burden.

16. Publication of results of data collection.

The FMCSA does not plan to publish any results.

17. Approval for not displaying the expiration date of OMB approval.

FMCSA is seeking approval to not display the expiration date of OMB approval on the publication “Your Rights and Responsibilities When You Move”. This publication will be printed by the vast majority of the 6,000 household goods carriers. It will be a burden on them to have to re-print the document every 3 years.

However, we are **not** seeking approval to not display the expiration date of OMB approval on form MCSA-2P, Household Goods - Consumer Complaint Form. Because this form will be available from FMCSA’s web site, it will be easy to update the form with a new approval date when appropriate.

18. Exceptions to certification statement.

The FMCSA is claiming no exception to any element of the certification statement identified in Item 19 of OMB form 83-I.

Part B. Collections of Information Employing Statistical Methods.

This information collection does not employ statistical methodologies.

Attachments:

- A. Sections 101(a) and 209 of the Motor Carrier Safety Improvement Act of 1999 (MCSIA) (Public Law 106-159, 113 Stat. 1748 (December 9, 1999)).
- B. 49 U.S.C. § 14104, “49 U.S.C. § 14104, “Household goods carrier operations.”

- C. 49 CFR part 375, “Transportation of Household Goods in Interstate Commerce Protection Regulations.”
- D. Final Rule entitled, “Transportation of Household Goods; Consumer Protection Regulations,” (70 FR 39949), July 12, 2005.
- E. Final Rule entitled, “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, Public Law 109-59, 119 Stat. 1144, August 10, 2005).
- F. Final Rule, entitled, “Amendments to Implement Certain Provisions of the Safe, Accountable, Flexible, Efficient Transportation Act: A legacy for Users (SAFETEA-LU), “Public Law 109-59,119 Stat. 1144, August 10, 2005.
- G. Sec. 4205 of SAFETEA-LU, Public Law 109-59 (119 Stat. 1753), August 10, 2005.
- H. Your Rights and Responsibilities When You Move.
- I. Ready to Move pamphlet.
- J. 60-day Comments Request Federal Register Notice (75 FR xxxx), dated May xx, 2010.
- K. 30-day Comments Request Federal Register Notice (75 FR xxxxxx), dated July xx, 2010.
- L. Correction Federal Register Notice (75 FR 44841), dated July 29, 2010.

Form MCSA-2P, Household Goods – Consumer Complaint Form.